

Board Meeting Minutes
August 21, 2018

Present via teleconference were:

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| Doug La Follette, Commissioner | Secretary of State |
| Matt Adamczyk, Commissioner | State Treasurer |
| Brad Schimel, Board Chair | Attorney General |
| Jonathan Barry, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Chief Investment Officer | Board of Commissioners of Public Lands |
| Vicki Halverson, Office Manager | Board of Commissioners of Public Lands |

ITEM 1. CALL TO ORDER

Board Chair Schimel called the meeting to order at 1:00 p.m.

ITEM 2. APPROVE MINUTES – AUGUST 7, 2018

MOTION: Board Chair Schimel moved to approve the minutes; Commissioner La Follette seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

Executive Secretary Barry reported that the loans had been reviewed for proper public purpose.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Fox Lake Dodge County Application #: 02019019 Purpose: Refinance road construction debt	City Rate: 4.50% Term: 20 years	General Obligation	\$557,000.00
2. Fox Lake Dodge County Application #: 02019020 Purpose: Refinance road construction debt	City Rate: 4.50% Term: 20 years	General Obligation	\$390,000.00
3. Green Bay Brown County Application #: 02019018 Purpose: Finance neighborhood redevelopment	City Rate: 4.25% Term: 10 years	General Obligation	\$1,500,000.00
4. Sheboygan Falls Sheboygan County Application #: 02019021 Purpose: Replace lead laterals	City Rate: 4.25% Term: 10 years	General Obligation	\$160,000.00

5.	Verona Area Dane County Application #: 02019017 Purpose: Finance referendum projects	School Rate: 4.00% Term: 5 years	General Obligation	\$5,000,000.00
TOTAL				\$7,607,000.00

MOTION: Board Chair Schimel moved to approve the loans; Commissioner La Follette seconded the motion.

DISCUSSION: Commissioner La Follette asked what referendum projects were included in the loan to the Verona Area School District. Staff replied that voters in the school district passed a referendum in 2017 to expand several school buildings and construct a new high school and auditorium. The funds will be used for costs associated with those projects.

VOTE: The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

ITEM 4. DISCUSS AND VOTE ON STAFF ATTENDANCE AT SCHWAB IMPACT CONFERENCE, OCTOBER 28-31, WASHINGTON, DC

Board Chair Schimel said the conference was an annual event and staff have attended in the past. Executive Secretary Barry added that Deputy Secretary Tom German and Chief Investment Officer Rich Sneider would attend this year if the Board approves the request. The estimated costs would be approximately \$4,800, which includes air fare, registration, lodging, and any meals not included with the conference fee.

Staff are requesting that two people be allowed to attend because many of the presentations are simultaneous and this gives staff an opportunity to attend different sessions, gain more knowledge, and share the information with each other. Sessions and presentations will be given by Schwab’s national advisors, investment professionals from other companies, and industry experts. Janet Yellen is one of the keynote speakers at the conference.

The conference provides staff with insights on where the economy, the bond market, and interest rates may be going, and how interest rates may impact the bond and stock markets. Sessions include industry experts presenting different points of view, which are valuable to staff when making investment decisions.

At a prior Schwab Impact Conference, industry professionals indicated that interest rates were likely to drop. With that knowledge, staff anticipated that many loan customers would probably refinance their State Trust Fund Loans and were prepared to reinvest those funds in the bond market.

Staff attend three out-of-state conferences each year: the Western States Land Commissioners Association, a conference focusing on land management; the Schwab Impact Conference; and a fixed income conference that is held in Chicago.

MOTION: Board Chair Schimel moved to authorize two staff members to attend the conference with the agency covering the associated costs; Commissioner La Follette seconded the motion.

VOTE: The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

ITEM 5. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry reported that due to market volatility there have been no bond sales or purchases nor any ETF investments since the last board meeting. As of July 31, 2018, the Board's portfolio shows a total value in ETF equities of \$22,387,587 with a capital gain of \$399,089 or 1.8%. Additionally, this group of equities is projected to provide a dividend yield of 3.6% annually or \$796,025.

Executive Secretary Barry submitted a report that details the Venture Capital and equity policies, and the agency's reporting practices, all of which have come into question recently. He noted that staff are operating under the direction of the Board.

The detailed report can be found on page 3 of the August 7, 2018, board meeting minutes.

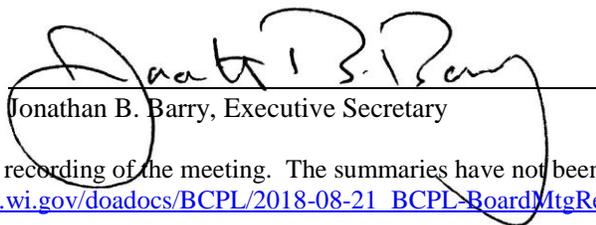
http://bcpl.wisconsin.gov/meetings_notes.asp?thismeeting=3206

ITEM 6. FUTURE AGENDA ITEMS

None.

ITEM 7. ADJOURN

The meeting adjourned at 1:15 p.m.


Jonathan B. Barry, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim. Link to audio recording: ftp://doafpt1380.wi.gov/doadocs/BCPL/2018-08-21_BCPL_BoardMtgRecording.mp3.